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MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : The 1954 Yangtze River Flood Disaster

1. Unprecedented rainfall in the Yangtze valley this spring and summer--19 inches in June alone--has caused one of the worst floods of the century in the Yangtze River valley.

2. While a major disaster to food crops and homes has occurred, the Peiping regime has publicly committed itself to a position that it is successfully combatting flood conditions and limiting their effects. In this connection the Burmese ambassador in Peiping informed his government on 30 July of Chinese sensitivity to offers of flood relief, and of the pretense maintained in Peiping official circles that no serious problem exists and no outside help is required.

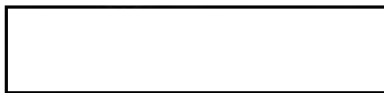
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4. At last report (31 July) the Yangtze was well above any previously recorded height. The previous recorded high in the river's water level came in 1931 when the most damaging flood in modern Chinese history occurred. That year an area of 100,000 square miles was affected by floods, and the damage was estimated at US \$1,290,000,000. In addition to those living in flooded cities, the farm population affected numbered 25,200,000.

5. Although the regime's diligent flood control activities of the past four years are now paying off surprisingly well--the city of Hankow which in 1931 was under water for a month appears to have been saved this time--it is believed that the Yangtze has overflowed its banks in enough places to make crop damage from floods nearly as severe as in 1931. Millions must have been rendered homeless.

NSA review completed

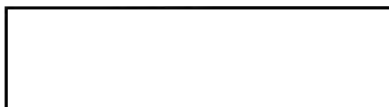
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6. Most of China's rice is grown in areas which have been threatened by flood this summer. The loss in food crops is expected to reach millions of tons. The June harvest of winter-sown crops in northern areas of China was exceptionally productive. In spite of this increase, the losses from the floods will make impossible an increase in total food output over 1953. This loss will significantly increase the regime's financial and food problems and reduce the supply available for export.

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